REMARKS

Applicant gratefully acknowledges the allowance of claims 8-21. Claims 1-7 are rejected under 35 USC 102(b) as being anticipated by *Luplow* (U.S. Patent 5,339,461). This rejection is respectfully traversed for the reasons set forth below.

Claim 1 includes: "A headphone module assembly comprising:

a headphone module including a carrier operable for mounting in a computer chassis;

a retractor member mounted on the carrier;

a flexible cord extendibly and retractably connected to the retractor member, the cord including at least one headphone connected to a first cord end and a connector connected to a second cord end opposite the first end; and a headphone receptacle on the carrier."

The PTO provides in MPEP § 2131..."To anticipate a claim, the reference must teach every element of the claim...". Therefore, to sustain this rejection the *Luplow* patent must contain all of the claimed elements of independent claim 1. However, the claimed module assembly is not shown or taught in the *Luplow* patent, and is not operable for mounting the headphone module in a computer chassis. Therefore, the rejection is unsupported by the art and should be withdrawn.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described in a single prior art reference." *Verdegaal Bros. V. Union Oil Co. Of California,* 814 F.2d 628, 631, 2 USPQ2d 1051, contained in the ...claim." *Richardson v. Suzuki Motor Co.,* 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

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Applicants further traverse this rejection on the grounds that the reference is defective in establishing a prima facie case of obviousness.

As the PTO recognizes in MPEP § 2142:

... The examiner bears the initial burden of factually supporting any prima facie conclusion of obviousness. If the examiner does not produce a *prima facie* case, the applicant is under no obligation to submit evidence of nonobviousness...

The Federal Circuit has held that a reference did not render the claimed combination *prima facie* obvious in *In re Fine*, 873 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988), because inter alia, the examiner ignored a material, claimed, temperature limitation which was absent from the reference. In variant form, the Federal Circuit held in *In re Evanega*, 829 F.2d I 110, 4 USPQ2d 1249 (Fed. Cir. 1987), that there was want of *prima facie* obviousness in that:

The mere absence [from the reference] of an explicit requirement [of the claim] cannot reasonably be construed as an affirmative statement that [the requirement is in the reference].

In *Jones v. Hardy*, 727 F.2d 1524, 220 USPQ 1021 (Fed. Cir 1984), the Federal Circuit reversed a district court holding of invalidity of patents and held that:

The "difference" may have seemed slight (as has often been the case with some of history's great inventions, e.g., the telephone) but it may also have been the key to success and advancement in the art resulting from the invention. Further, it is irrelevant in determining obviousness that all or all other aspects of the claim may have been well known in the art.

The Federal Circuit has also continually cautioned against myopic focus on the obviousness of the difference between the claimed invention and the prior art rather

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than on the obviousness vel non of the claimed invention as a whole relative to the prior art as §103 requires. See, e.g., *Hybritech Inc. v. Monoclonal Antibodies, Inc.* 802 F.2d 1367, 1383, 231 USPQ 81, 93 (Fed. Cir. 1986).

In the present case, the reference fails to teach all the limitations of the claimed invention and to show or suggest the module is operable for mounting in a computer chassis. Thus, the rejection is improper because, when evaluating a claim for determining obviousness, all limitations of the claim must be evaluated. In this context, 35 USC §103 provides that:

A patent may not be obtained ... if the differences between the subject matter sought to be patented and the prior art are such that the *subject matter* as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains ... (Emphasis added)

Because all the limitations of claim 1 have not been met by the *Luplow* patent, it is impossible to render the <u>subject matter as a whole</u> obvious. Thus the explicit terms of the statute have not been met and the examiner has not borne the initial burden of factually supporting any *prima facie* conclusion of obviousness.

The amendments herein are fully supported by the original specification and drawings, therefore no new matter is introduced.

In view of the above, it is respectfully submitted that claims 1-7 are in condition for allowance. Accordingly, an early Notice of Allowance for remaining claims 1-21 is courteously solicited.

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Respectfully submitted,

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